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Annualized Income Installment Worksheet for Underpayment of Estimated Tax

(see instructions on reverse)

		A	B	C	D
1. Annualization periods (see instructions).	1	First _____ months	First _____ months	First _____ months	First _____ months
2. Enter taxable income for each annualization period.	2				
3. Annualization amounts (see instructions).	3				
4. Annualized taxable income. Multiply line 2 by line 3.	4				
5. Calculate the tax on the amount in each column on line 4 using the tax table on page 6.	5				
6. Enter alternative minimum tax for each payment period (see instructions).	6				
7. Total tax. Add lines 5 and 6.	7				
8. For each period, enter the same type of credits as allowed on Form 2220ME, line 1 (see instructions).	8				
9. Total tax after credits. Subtract line 8 from line 7. If zero or less, enter 0.	9				
10. Applicable percentage.	10	25%	50%	75%	100%
11. Multiply line 9 by line 10.	11				
12. Add the amounts in all preceding columns of line 18 (see instructions).	12				
13. Annualized income installments. Subtract line 12 from line 11. If zero or less, enter 0.	13				
14. Enter 25% of line 4 of Form 2220ME in each column. (Note: "Large corporations" see instructions.)	14				
15. Enter the amount from line 17 of the preceding column.	15				
16. Add lines 14 and 15.	16				
17. If line 16 is more than line 13, subtract line 13 from line 16; otherwise, enter 0.	17				
18. Required installments. Enter the smaller of line 13 or line 16 here and on Form 2220ME, line 5.	18				

ANNUALIZED INSTALLMENT WORKSHEET

If your income varied during the year because, for example, you own a seasonal business or the majority of your income was received at once, you may be able to lower or eliminate the amount of your quarterly estimated tax payments by using the annualized income installment method. Use the Annualized Income Installment Worksheet to calculate the required 2000 installment for each payment due date.

SPECIFIC INSTRUCTIONS

NOTE: You must complete lines 1-18 of each column before going on to the next column.

(First complete Form 2220ME, lines 1 through 4)

Line 1 - Annualized periods: Enter on line 1, Columns A through D, respectively, the annualization periods from line 1 of your federal Annualized Income Installment Method worksheet.

Line 3 - Annualization amounts: Enter on line 3, Columns A through D, respectively, the annualization amounts from line 3 of your federal Annualized Income Installment Method worksheet.

Line 6 - Alternative minimum tax: For the amount in each column, compute the annualized alternative minimum tax on Schedule B of Form 1120ME. Enter on lines 19, 20 and 21 of Schedule B the annualized amounts calculated for federal purposes for each annualized period.

Line 8. Enter the **credits** the corporation is entitled to for the months shown in each column on line 1.

Line 12. Complete lines 13 through 18 in each of the preceding columns before completing line 12.

Line 14 - Large corporations: The taxpayer is a large corporation as defined by IRC § 6655(g)(2)(A). Such large corporations may elect to determine the first required installment for any taxable year based on the preceding year's state income tax liability, if that preceding year was a taxable year of 12 months. However, if the corporation so elects, the second required installment for the taxable year must equal 90% of the corporation's income tax liability for the first half of the current year, less the amount of the first installment for the taxable year as determined under this provision.